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IN THE

Supreme Court of the United States

OCTOBER TERM, 1957

No. 338

U. S. CHEMICAL CORPORATION and
U. S. PLASTIC PRODUCTS CORPORATION,

Petitioners,

v.

PLASTIC GLASS CORPORATION,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

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PLASTIC GLASS CORPORATION,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Petitioners, U. S. Chemical Corporation and U. S. Plastic Products Corporation, pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Third Circuit entered on May 7, 1957 in the case there entitled "U. S. Chemical Corporation and U. S. Plastic Products Corporation, Plaintiffs-Appellants v. Plastic Glass Corporation, Defendant-Appellee, Docket No. 12,034."

Opinions Below

The opinion and judgment of the District Court are printed in the certified record and the nine copies of the printed record below filed herewith (P 150-9a),* and is

* References to pages in the printed appendices in the Court below will be made by preceding the page number or numbers by P when referring to appellant's appendix and D when referring to appellees' appendix.

reported at 142 F. Supp. 840, 110 USPQ 18. The opinion and judgment of the Court of Appeals are printed as an Appendix hereto and reported at 243 F. 2d 892, 113 USPQ 303.

Jurisdiction

The judgment of the Court of Appeals was entered on May 7, 1957. The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1).

The Questions Presented

1. Is Title 35, Sec. 102(b) applicable to a process patent except where the patented process was itself in public use more than a year prior to the application for such patent?

2. Does the sale of an old article, made by a new patented process, more than one year prior to the filing of the application for the patent on such process constitute a public use of such process within the meaning of 35 U. S. C. Sec. 102(b) even though the process was in fact practiced in secret?

3. Is not the continued practice of a process for a period during which "production controls" necessary to the successful commercial use of the process were developed, an "experimental" use of the process during such period under the rule of *Elizabeth* v. *Pavement Co.*, 97 U. S. 126?

Statutes Involved

The Patent Act of 1952 (Title 35, United States Code):

"§ 101. Inventions Patentable

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of

matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

"§ 102. Conditions for Patentability; Novelty and Loss of Right to Patent.

"A person shall be entitled to a patent unless—

"(a) The invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

"(b) The invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or"

* * * * * *

Statement of the Case

The patent in suit, No. 2,668,328 (P 161), was issued to Petitioner, U. S. Chemical Corporation as assignee of the applicant Frank E. Porter, on an application filed on April 8, 1953.

The patent covers a method of making plastic sheets of well known composition in such manner as to impart to the sheet an appearance quite similar to so-called "mother-of-pearl." The particular plastic with which the invention is concerned is methyl methacrylate—originally developed by the DuPont Company and sold under the name "Lucite". Prior to the patentee's invention methyl methacrylate sheets of various thickness, both "clear" and "pearl", were in common use for the fabrication of various articles. The sheets were manufactured by standardized methods consisting essentially of preparing a so-

called "monomer" of the proper chemical composition and "casting" it in a mold consisting of two sheets of glass spaced apart a distance equal to the desired thickness of the sheet by a gasket around the edges. The monomer is of syrupy consistency and in the mold it is polymerized to a solid sheet. With nothing added to the monomer the sheet is clear and transparent.

The pearl sheets of the prior art are made by stirring into the monomer a quantity of "pearl essence"—an iridescent crystalline powder made from fish scales. The added pearl essence gives to the sheet an iridescent sheen which is uniform throughout the area of the sheet. To distinguish it from the product of the patent in suit, which is known as "design pearl", the pearl sheets made as above described are now known as "plain pearl" or "smooth pearl".

By the patentee's process the so-called design is produced by effecting a controlled variance in the distribution and orientation of the pearl essence in different contiguous areas of the sheet. Design pearl sheets were not new with the patentee. They had previously been produced by the Dul'ont Company by a process which involved the creation of the design by hand in each mold separately during the period of polymerization. The product, however, was too costly and after a brief period during which approximately 50,000 sheets were sold, its manufacture and sale were discontinued.

By the patentee's process the design is really self-producing. The molds are filled with the mixture of monomer and pearl essence, with certain additions which were kept secret until the patent application was filed, and are then sealed and set on edge in the customary manner in the polymerizing tanks wherein the molds are maintained at the proper temperature for the time required to effect the desired polymerization. During this period the pearl essence in the closed and sealed mold

of itself is redistributed and reoriented in a predetermined manner and to a predetermined extent to produce a predetermined design of similar appearance throughout the area of the sheet and reproducible from sheet to sheet by careful and exact regulation of certain "production controls" developed by the patentee prior to the grant of his patent.

The claims are process claims and a new process is a separate invention from its product or the apparatus required for its practice. In the case at bar the product is substantially the same as the hand made sheets previously sold by the DuPont Company and the apparatus used for making the "clear" and "plain pearl" sheets is used without change in carrying out the new process.

The Findings of Fact adequately summarize the nature of the invention and its development by the patentee during the course of his employment by plaintiffs. As appears from the Findings (P 150) the first successful practice of the process was September 27, 1951. The application for the patent in suit was filed on April 8, 1953, something more than eighteen months thereafter. There is also no dispute that beginning in November, 1951 the sheets produced by the patented process which were salable were sold to some two or three customers of the plaintiffs and that the sheets so sold were used by the customers for the fabrication of hand bags which were sold through the customary channels of trade.

The District Court made no finding as to whether or not the practice of the process was itself a *public* use or a secret use of the invention for a period of more than a year prior to the application for the patent in suit, but held that no such finding was necessary because, under the doctrine pronounced for the first time by the Court of Appeals for the Second Circuit (Judge Learned Hand) in *Metallizing Engineering Co.* v. *Kenyon Bearing & A. P. Co.*, 153 F. 2d 516, the sale of the product of a

patented process more than one year prior to the application for the patent on the process is itself a public use of the process under the statute. The decision of the District Court on this question is summarized in Conclusion of Law No. 3, as follows:

> "Plaintiffs contend that even though there was a commercial use of the process, the prohibition of the statute is not violated if the process was kept secret and if the public were unable to determine the process from the product which was being sold on the open market. They urge that the law in this circuit is as stated in the case of Peerless Roll Leaf Co. v. H. Griffin & Sons Co., 29 F. 2d 646 (2 Cir. 1928), and not that enunciated by Judge Learned Hand in Metallizing Engineering Co. v. Kenyon Bearing & A. P. Co., 153 F. 2d 516, 68 USPQ 54 (2 Cir. 1946), which expressly overruled the Peerless Roll case. It is sufficient to say here that this court agrees with the opinion of Judge Hand in the Kenyon case; to attempt to add anything to his remarks would be a useless endeavor. See, also, *Huszar* v. *Cincinnati Chemical Works, Inc.*, 172 F. 2d 6, 80 USPQ 466 (6 Cir. 1949)" (p. 157).

The Court of Appeals for the Third Circuit affirmed the District Court without further discussion.

The language of the "Public Use" statute has remained substantially unchanged for more than eighty years and during that period has been the subject of judicial discussion by this Court and the other Federal Courts in many reported cases. At the time the opinion of the Court of Appeals for the Second Circuit in *Metallizing Engineering Co.* v. *Kenyon Bearing & A. P. Co., supra* was rendered (1946) there was no longer any question as to the meaning of the statute. Since long prior to 1946 the Public Use Statute has been consistently construed to mean that

any use of a patented invention prior to the time specified in the Statute* constitutes a bar to the grant of a valid patent unless the use was found to be either experimental or secret. This rule was expressed by the Court of Appeals for the Second Circuit itself in *Aerovox Corp.* v. *Polymet Mfg. Co.*, 67 F. 2d 860 (1933). In that case, in an opinion also by Judge Learned Hand, the Court said:

> ". . . the only relevant issue is whether the use was public in the sense of the statute, which here means whether it was secret or experimental" (p. 861).

Judge Hand, in his later opinion in *Metallizing Engineering, supra*, for the first time eliminated from this established construction of the Public Use Statute the words "secret or", and limited the exception to *experimental* use.

It is of course obvious that a secret use cannot be a public use and if the invention is a process which is practiced in secret, the word "public" in the statute is meaningless. According to Judge Hand's decision in the *Metallizing* case the use that is barred by the statute is not a public use, but a use resulting in a benefit to the inventor.

It may be that a provision in the patent statute which precluded an inventor from deriving a profit from his invention until after he had filed his application for a patent would make the patent statutes better serve the public interest, and Judge Hand's opinion may be regarded as a persuasive argument that the statute should be amended to contain such a provision, but the Public Use Statute as it is now worded cannot be so construed without plainly doing violence to the English language. "Public" means one thing and "exploit for profit" means another thing. An invention may be in *public* use and not exploited for profit. It may be in public use and also exploited for

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* Two years prior to 1939; one year thereafter.

profit. Or it may be exploited for profit without being in public use. The opinion of the District Court in the *Metallizing* case correctly interprets the Public Use Statute and there was no justification for its reversal on the basis of the facts found.

> "On the facts thus found, did the sales of the product made from the invention practiced in secret constitute a 'public use' within the meaning of the statute?
>
> As to this, on the one hand it is definitely established that to put an invented *article* subsequently patented into the hands of the public by sale or gift will constitute a public use of the invention even though the essence of the invention is not thereby disclosed to the public. Hall v. MacNeale, 107 U. S. 90, and Egbert v. Lippman, 104 U. S. 333. It is also established that the sale of the product of an invented machine subsequently patented does not constitute a public use if the machine in producing the product was secretly operated. Gillman v. Stern, 114 F. 2d 28 [46 USPQ 430], Peerless Roll Leaf Co. v. Griffin & Sons, 29 F. 2d 646. So much is clear. But a question relating to sales of the product of a *process* secretly practiced, is one of considerable difficulty.
>
> * * * * *
>
> If, as is well established (Gillman v. Stern, supra), an invented machine may be secretly operated and its product freely sold without involving a public use or sale of the invention inherent in the machine, I can see no reason whatever for withholding the same immunity from an invented process, provided it is proved that the inherent invention could not be learned from the product sold. Certainly there is nothing in the statute to require a distinction." (*Metallizing Eng. Co.* v. *Kenyon Bearing & Auto Parts Co.*, 62 F. Supp. 42, 56, 57; 65 USPQ 344, 358, 359.)

As stated above, the Court of Appeals for the Third Circuit in the case at bar has accepted without discussion Judge Hand's interpretation of the Public Use Statute, and in the Sixth Circuit also his ruling has been followed without comment.

The Court of Customs and Patent Appeals, in *Stresau v. Ipsen*, 77 F. 2d 937 (1935), has specifically held that the secret use of a process for more than the statutory period, accompanied by a sale of the products of the process did not bar the issuance of a patent.

In one other case, namely, in *Conmar Products Corp. v. Universal Slide Fastener Co.*, 172 F. 2d 150 (2d Cir. 1949), the same question has arisen. In the opinion in this case, also by Judge Learned Hand, that Court itself recognized that its decision in the Metallizing case, was a reversal of the accepted construction of the Public Use Statute and also expressed the view that the denial of a Petition for Certiorari presented in this Court constituted by implication an affirmance of their reversal of the accepted construction of the Public Use Statute.

> "As to Claims 49 and 52, we have nothing to add to what we said in Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co., Inc., and we take this occasion to reaffirm the doctrine there laid down. In spite of the repeated admonitions of the Supreme Court that the denial of a petition for certiorari is not to be taken as indicating approval of the decision below, we cannot avoid attaching some significance to the denial in that case. We had very frankly overruled at least one of our former decisions, and we had deliberately refused to follow the Court of Customs and Patent Appeals; the petition was presented with the utmost earnestness by a most distinguished leader of the patent bar as an unhappy departure from established law, the result of our misunderstanding of the Supreme Court's own decisions. All things are pos-

sible; but the situation as a whole was so favorable to a consideration of the merits, if the court had been in doubt, that we feel bound to treat the issue as closed, and so we shall, until the court directs us otherwise" (p. 153).

Reasons for Granting the Writ

(I) The Public Use Statute is an important provision of the patent laws. The proper construction of that act should not rest on implications to be drawn by the refusal of this Court to review a decision wherein a construction of the statute of such long standing has been modified.

(II) The ruling of the Circuit Court of Appeals for the Second Circuit in the Metallizing case and of the Third Circuit Court of Appeals in the case at bar, constitutes unwarranted judicial legislation which should be restrained by this Court.

I

It will doubtless be urged by respondent that this Court declined to review the *Metallizing Engineering Co.*, decision when the Petition for Certiorari was presented in that case, and that no reason exists now which did not exist then for this Court to express its approval or disapproval of Judge Hand's departure from the accepted construction of the Public Use Statute.

At that time, while Judge Hand's decision was "in conflict with applicable decisions of this Court",* it stood alone, and whether it would be followed in other Circuits was questionable. Now it has been followed in the Sixth Circuit and in the Third Circuit. Furthermore, since the petition was presented in *Metallizing Engineering*, the patent laws have been revised for the express purpose of

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* Rule 19(d) Supreme Court Rules.

bringing the text of the Statutes in line with the authoritative rulings of the Courts where in the judgment of Congress changes were required.

The language of the Public Use Statute remains unaltered. Presumably the conflict was not noted or the decision was regarded as manifestly erroneous, for if Judge Hand's view of what the law *should be* had been considered sound the Public Use Statute could easily have been amended by the addition of a few words. But however that may be, the situation now is that three Circuits have specifically held that the sale of an old product of a process practiced in secret constitutes a public use of that process. One Court, the Court of Customs and Patent Appeals, has specifically ruled to the contrary, so we may expect the Patent Office to continue to grant patents on processes so used, which patents will be held invalid in the Second, Third and Sixth Circuits and valid or invalid in the other Circuits, according to the views, as yet unexpressed, of the Courts of those Circuits. This situation should be corrected by this Court.

II

There is no justification here for judicial legislation. Patents are altogether creatures of statute. There may be some justification for construing statutes dealing with fundamental rights and privileges beyond their express terms to better serve their intended purpose, but where a statute of this kind has remained unchanged on the books for eighty years, during which the act as a whole and related sections have been the subject of Congressional revision, it should not be changed by judicial interpretation even though the new interpretation is in the public interest.

Judicial legislation has been a matter of considerable comment in the papers of our universities and law societies.

The following quotation is from a paper printed in the Kentucky Law Journal, Vol. 6, pages 66-77:

> "There is nothing new in the idea that the courts should exercise 'self-discipline' when tempted by the beneficial results which might follow from judicial legislation. The books abound with statements such as the following by the Supreme Court of Pennsylvania in McManus and Henry v. Cassidy, 66 Pa. St. 260, 262: 'With a great desire to sustain this judgment we find ourselves unable to do so without assuming legislative powers.'"

It is the universally accepted rule that "where the language of the statute is plain and unambiguous there is no occasion for construction and the statute must be given effect according to its plain and obvious meaning" (82 C. J. S. Statutes, Sec. 322, p. 577). The *Metallizing* decision makes no attempt to point out any ambiguity in the language of the statute. It adds a new sub-section to the statute which might appropriately be designated (h). (U. S. C., Title 35, Sec. 102, now contains subsections (a) to (g).)

> 102. A person shall be entitled to a patent unless . . . (h) the inventor derived a monetary return from the exploitation of his invention more than a year prior to the date of his application for the patent in the United States.

It may be that such a provision would give beneficial results in the operation of our patent system, but the Courts should leave it to Congress to incorporate such a provision and not distort the existing provisions of the statute, which plainly mean something else.

If this petition is granted it will be urged that the lower Courts were in error in holding that the use of the process prior to the statutory period was not an experimental use within the meaning of *Elizabeth* v. *Pavement Co.*, 97 U. S.

126. It is petitioner's position on this question that the Findings of Fact made by the District Court and accepted by the Court of Appeals do not warrant the Conclusion of Law that the use was not experimental.

CONCLUSION

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

W. Brown Morton,
Attorney for Petitioners.

New York, N. Y., July , 1957.

Appendix

UNITED STATES COURT OF APPEALS

FOR THE THIRD CIRCUIT

No. 12,034

U. S. CHEMICAL CORPORATION AND U. S. PLASTIC PRODUCTS CORPORATION,

Appellants,

v.

PLASTIC GLASS CORPORATION.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Argued January 24, 1957

Before BIGGS, *Chief Judge*, and MCLAUGHLIN and HASTIE, *Circuit Judges*.

OPINION OF THE COURT

(Filed May 7, 1957)

By BIGGS, *Chief Judge*.

U. S. Chemical Corporation, the owner of United States Patent No. 2,668,328, and U. S. Plastic Products Corporation, the exclusive licensee under the patent, sued

Plastic Glass Corporation alleging infringement.[1] Plastic Glass Corporation filed an answer and counterclaims alleging among other defenses that the patent was invalid because of prior public use and sale. The court below held the patent invalid basing its ruling solely on a finding of public use and sale for more than one year prior to the date of the application for the patent. 35 USC § 102(b). See 142 F. Supp. 840 (1956).[2]

The patent claims a process for casting patterned plastic sheets. It is described fully in the findings of fact of the court below, 142 F. Supp. at pp. 840-841, and need not be more particularly set out here. It was conceded at the trial that on 52 different occasions, beginning November 2, 1951 and ending on April 7, 1952, the application for the patent having been filed on April 8, 1953, U. S. Plastic Products Corporation, employing the inventor, Porter, sold and delivered to three manufacturing concerns, Handbag Metal Specialties, Inc., Jewel Plastic Company and Rialto Button & Wood Products, all of New York City, 665 patterned plastic sheets made in accordance with the teaching of the patent at a price in excess of $15,000. The plaintiffs maintain this use of the patent and sale of the product cre-

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[1] It was stipulated by the parties that the pleadings should be recast so that U. S. Chemical Corporation as the owner of the patent in suit and U. S. Plastic Products Corporation, as the exclusive licensee, should be designated as co-plaintiffs jointly asserting the claim for infringement of the patent and that the counterclaims for a declaration of invalidity under the Federal Declaratory Judgments Act, 28 USC § 2201, and for an injunction and an accounting on the basis of alleged unfair competition, 28 USC § 1338(b), would be asserted by the defendant against the plaintiffs jointly and severally.

The patent actually issued under date of February 9, 1954 to Frank E. Porter who was the assignor to U. S. Chemical Corporation.

The plaintiffs claimed infringement of Claims 1, 3, and 4 of the patent. The answer and the counterclaims in substance alleged that all the claims of the patent were invalid and, as we read the findings of fact and the conclusions of law, the court below so found.

[2] The plaintiffs' action for infringement was dismissed as was the defendant's counterclaim based on alleged unfair competition. The defendant did not appeal the dismissal.

ated by its process was merely experimental to determine the "production controls" necessary for the successful commercial exploitation of the patent and was within the rule laid down by the Supreme Court in Elizabeth v. Pavement Company, 97 U. S. 126, 134-135 (1877). The defendant contends that the use of the process and the sale of the product was a public use and sale, relying on the decision of the Circuit Court of Appeals for the Second Circuit in Metallizing Engineering Co. v. Kenyon Bearing & A. P. Co., 153 F. 2d 516, cert. den. 328 U. S. 840 (1946), overruling Peerless Roll Leaf Co. v. Griffin & Sons, 29 F. 2d 646 (2 Cir. 1926).

The issue is what is a public use or sale within the purview of the statute. This question was cogently discussed by Judge Learned Hand in the Metallizing Engineering Co. case, *supra*. We can add little of value to what Judge Hand said in the cited decision. We are in accord with what he stated. We sum up the application of the principle to the case at bar by saying that where, as here, a patentee has used the process of a patent to create a product which has been sold on the market more than one year prior to the patent application, such use of the process and sales constitute "prior use" within the meaning of Section 102(b), 35 USC. We are of the opinion that the patentee cannot avoid the impact of the statute by asserting that the sales were experimental to determine "production controls", at least under the circumstances at bar. We cannot but conclude that the application of such a theory here would lead to an unwarranted extension of the patent monopoly.

Other points raised by the parties do not require consideration in view of our decision.

The judgment of the court below will be affirmed.

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for the Third Circuit.

UNITED STATES COURT OF APPEALS

For the Third Circuit

No. 12,034

U. S. Chemical Corporation and U. S. Plastic Products Corporation,

Appellants,

v.

Plastic Glass Corporation.

On Appeal From the United States District Court for the District of New Jersey

Present: Biggs, Chief Judge, and McLaughlin and Hastie, Circuit Judges.

JUDGMENT

This cause came on to be heard on the record from the United States District Court for the District of New Jersey, and was argued by counsel

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court in this case be, and the same is hereby affirmed, with costs.

Attest:

Ida O. Creskoff,
Clerk.

May 7, 1957.